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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Tysan Holdings Limited, you should at once hand this circular and the accompanying forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**TYSAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 687)**

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF PROPERTY**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“associate”	means the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange (Stock Code: 687)
“Consideration”	the total consideration of HK\$40,000,000.00 payable by the Purchaser to the Vendor for the Disposal in accordance with the Agreement
“Director(s)”	the director(s) of the Company, including the non-executive directors, and “Director” mean any one of the Directors
“Disposal”	the disposal of the Property pursuant to the Provisional Agreement and the Formal Agreement
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Vendor and the Purchaser pursuant to the Provisional Agreement in respect of the Disposal
“Group”	the Company and its subsidiaries
“Independent Third Party”	an independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, not connected with the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Latest Practicable Date”	12 May 2007, the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	House A2, No. 7 Shouson Hill Road West and together with the garden and two carports erected on Rural Building Lot No. 928, Springfield Gardens, 5-9 Shouson Hill Road West, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 23 April 2007 entered into between the Vendor and the Purchaser in relation to the Disposal

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## DEFINITIONS

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“Purchaser”	the subject purchaser of the Property, being an Independent Third Party
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	Registered holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Faithmark Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

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## LETTER FROM THE BOARD

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### **TYSAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 687)**

*Executive Directors:*

CHEUNG Francis (*Chairman*)

FUNG Chiu Chak, Victor

*(Vice Chairman and Managing Director)*

CHIEN David

KWOK Jennifer

CHIU Chin Hung

WONG Kay

*Independent Non-Executive Directors:*

FAN Chor Ho, Paul

CHAU Cham Son

TSE Man Bun

*Registered office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place  
of business in Hong Kong:*

6th Floor, Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

15 May 2007

*To the Shareholders*

Dear Sirs,

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

#### **INTRODUCTION**

The Company announced on 24 April 2007 that the Vendor and the Purchaser had entered into the Provisional Agreement, pursuant to which the Vendor would dispose the Property to the Purchaser for a total consideration of HK\$40,000,000 in cash.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with further information in relation to the Disposal and other information in compliance with the requirements of the Listing Rules.

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## LETTER FROM THE BOARD

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### THE PROVISIONAL AGREEMENT

- Date: 23 April 2007
- Vendor: Faithmark Investments Limited, a wholly-owned subsidiary of the Company.
- Purchaser: A female individual who is an Independent Third Party and who and/or whose family apparently is also residing in the same Shouson Hill area. To the best of the Board's knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.
- Consideration: HK\$40,000,000, which is payable by the Purchaser in the following manner:
- (a) HK\$2,000,000 upon signing of the Provisional Agreement as initial deposit.
  - (b) HK\$2,000,000 on or before 7 May 2007 as further deposit.
  - (c) HK\$36,000,000, being the balance of the Consideration, upon completion on or before 27 July 2007.

The Consideration has been arrived at after arm's length negotiation between the Vendor and the Purchaser taking into consideration the current market value of similar properties in the same Shouson Hill area or nearby areas thereof.

- Property: The address of the Property is House A2, No. 7 Shouson Hill Road West and together with the garden and two carports erected on Rural Building Lot No. 928, Springfield Gardens, 5-9 Shouson Hill Road West, Hong Kong. The Property is being sold on an "as is" basis.
- Completion Date: The sale and purchase of the Property is to be completed on or before 27 July 2007 when vacant possession of the Property is required to be delivered to the Purchaser.

### THE FORMAL AGREEMENT

Pursuant to the terms of the Provisional Agreement, the Vendor and the Purchaser shall on or before 7 May 2007 sign and enter into a Formal Agreement for the sale and purchase of the Property in the form and contents to be prepared by the Vendor's solicitors subject to such amendments thereto that may be agreed between the parties. As the Purchaser has proposed certain amendments to the contents of the draft Formal Agreement, some of which are still outstanding and to be agreed between the parties, the Formal Agreement has not yet been signed, but it is hoped that the same will be signed by the parties as soon as the outstanding proposed amendments to the draft Formal Agreement are agreed and finalized.

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## LETTER FROM THE BOARD

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### INFORMATION ABOUT THE COMPANY

The Company is a listed company on the Stock Exchange. The Group is principally engaged in foundation piling, building construction, electrical and mechanical engineering, machinery hiring and trading and property investment and development.

### REASONS FOR AND BENEFITS OF THE DISPOSAL OF THE PROPERTY

Having regard to the recent improvement in the Hong Kong property market, the Board (including the independent non-executive Directors) considers the Disposal will provide the occasion for the Company to realize part of its assets at a reasonable market price where such opportunity arises and so that the general working capital of the Company can be enhanced.

The property was in the past occupied by one of the Directors as quarter but is currently left vacant pending sale. Based on the balance sheet of the Vendor as at 30 September 2006, the carrying value of the Property as valued on 31 March 2006 and 30 September 2006 respectively by an independent valuer appointed by the Company in accordance with the requisite accounting standards was HK\$33,000,000, being the latest valuation carried out on the Property, having carried out inspection, made relevant enquiries and obtained such further information as the independent valuer considered necessary. The Property was acquired in April 1994 at a cost of approximately HK\$17,530,971. The net loss before and the net gain after taxation (taking into account of deferred tax written back) and extraordinary items and having taken into account the then current revaluation of the Property as valued by an independent valuer, attributable to the Property for the financial year ended 31 March 2005 was HK\$464,726 and HK\$254,640 respectively. The net loss before and after taxation and extraordinary items and having taken into account the then current revaluation of the Property as valued by an independent valuer, attributable to the Property for the financial year ended 31 March 2006 was HK\$165,985 and HK\$136,938 respectively. As a result of the Disposal, the consolidated non-current assets of the Company will be reduced by HK\$33,000,000.00, being the carrying value of the Property, and the consolidated current assets of the Company will be increased by HK\$40,000,000.00, being cash to be deposited in bank, while the consolidated liabilities of the Company will remain unchanged, as the net proceeds will be used for the purpose of general working capital of the Company. Based on the carrying value of the Property of HK\$33,000,000 and after deducting all minor relevant expenses (including estate agent's commission fees and legal fees etc.), the Company expects to realise a net gain of approximately HK\$7,000,000, subject to audit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are on normal commercial terms, which are fair and reasonable and are in the interests of the Shareholders and the Company as a whole. The Property is being sold subject to vacant possession and, not being an asset used in operations of the Company, the Directors (including the independent non-executive Directors) do not foresee any adverse impact that would be caused by the Disposal on the operations of the Company.

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## LETTER FROM THE BOARD

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### GENERAL

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules and this circular is sent to you in compliance with the requirements of the Listing Rules in the connection.

Your attention is drawn to the general information as set out in this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Tysan Holdings Limited**  
**Francis Cheung**  
*Chairman*

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## GENERAL INFORMATION

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### 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### 2. DISCLOSURE OF INTERESTS

#### (a) Interests and short positions of the Directors in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company and their respective associates in the equity or debt securities of the Company or its associated corporations (within the meaning of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies had been notified to the Company and the Stock Exchange were as follows:

#### (i) *Interests in Shares:*

Name	Number of Shares and nature of interest			
	Personal interests	Corporate interests	Other interests	Total interests
Mr. Francis Cheung	40,320,600	227,185,000 <sup>(1)</sup>	54,247,200 <sup>(2)</sup>	321,752,800
Mr. Fung Chiu Chak, Victor	57,545,600	—	—	57,545,600
Mr. David Chien	98,021,020	—	—	98,021,020
Miss Jennifer Kwok	16,500,000	—	—	16,500,000
Mr. Chiu Chin Hung	5,000,000	—	—	5,000,000
Mr. Wong Kay	10,765,000	—	—	10,765,000
Mr. Tse Man Bun	442,000	—	—	442,000



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## GENERAL INFORMATION

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(ii) *Interests in ordinary shares of associated corporations of the Company:*

Name	Name of associated corporations	Number of ordinary shares and nature of interest		
		Personal interests	Corporate interests	Total interests
Mr. Fung Chiu Chak, Victor	Tysan Building Construction Company Limited	—	5,100,000 <sup>(3)</sup>	5,100,000
	Tysan Engineering Company Limited	800	—	800
	Tysan Trading Company Limited	20	—	20
Miss Jennifer Kwok	Tysan Trading Company Limited	20	—	20
Mr. Wong Kay	Tysan Engineering Company Limited	2,200	—	2,200

*Notes:*

1. 171,237,000 Shares were held by Power Link Investments Limited and 55,948,000 Shares were held by Long Billion International Limited. Both of these companies were controlled by Mr. Francis Cheung.
2. Such Shares were held by a discretionary trust, the founder of which is Mr. Francis Cheung.
3. These Shares were held by Victor Create Limited which was controlled by Mr. Fung Chiu Chak, Victor.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

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## GENERAL INFORMATION

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### (b) Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

#### Interests in Shares

Name	Number of Shares held	Percentage of the issued share capital
Power Link Investments Limited <sup>(1)</sup>	171,237,000	20.45
Eastern Glory Development Limited <sup>(2)</sup>	171,237,000	20.45
Goldcrest Enterprises Limited <sup>(2)</sup>	171,237,000	20.45
Bofield Holdings Limited <sup>(2)</sup>	171,237,000	20.45
Long Billion International Limited	55,948,000	6.68

#### Notes:

- (1) The above interest of Power Link Investments Limited has also been disclosed as corporate interest of Mr. Francis Cheung in the section headed "Interests and short positions of the Directors in the Company and its associated corporations" above.
- (2) These parties were deemed to have interests in 171,237,000 shares by virtue of their equity interests in Power Link Investments Limited.

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital.

### (c) Directors' interests in material contracts

Save as disclosed herein above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

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## GENERAL INFORMATION

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### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group.

### 4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

### 5. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (c) The qualified accountant and the Company Secretary of the Company is Mr. Chan Kit Yan. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The branch share registrar of the Company in Hong Kong is Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.